



Convention & Visitors Bureau

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News Release

FOR IMMEDIATE RELEASE

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San José Convention Center & Visitor's Bureau Expands Marketing Reach with New District Tax

SAN JOSÉ, CA. – March 27, 2006 – Beginning March 1, 2006, a marketing partnership of 35 hotels began collection of the Hotel Business Improvement District Tax (HBID). Participating hotels have eighty or more guest rooms located within the city limits of San José. Funds collected will be managed by a new non-profit corporation, San José Hotels Inc.

The San José Hotels Inc. governing Board includes representatives from The Fairmont Hotel, Hilton San José, San José Marriott, Crowne Plaza, Hotel de Anza, Doubletree, Wyndham Hotel, Hyatt San José, and Hotel Valencia.

Funds generated will be used exclusively for tourism industry promotion, specifically marketing the city as a destination and securing new major citywide conventions. "The infusion of additional targeted marketing funds gives us more control of our own destiny," said Dave Costain, GM of the Doubletree Hotel in San José. "No one hotel has enough funds to do the marketing activities they want to do," he added.

The District Tax concept has been very successful in many areas, including Santa Clara, Sonoma, and Sacramento Counties. Similarly, in 1997, the California Tourism Marketing Act created a statewide assessment that catapulted California's marketing fund from 24th to 12th in the nation.

Funds will be used to build visibility for San José as a meeting and convention center, increase occupancy for groups, and create a seamless solution for meeting and convention attendees once they arrive in the City. The San José Convention & Visitors Bureau will be introducing a national advertising campaign in the trade and local press, working on co-op promotions, and developing new marketing materials, both web and print based.

The discussion of the initiative began a year ago because hotels in or near to downtown were experiencing an overall occupancy rate of less than 50%. "New hotel guests drive money into the local economy which means local businesses, employment conditions, and the community as a whole benefit," commented Dan Fenton, CEO of the SJCVB.

All businesses participating in HBID are charging a flat fee per occupied room per night; ranging from \$2.00 to \$0.75 depending on their proximity to the San José McEnery Convention Center. Initial estimates are that the tax will contribute \$1.6M to the Convention Center. Since the

revenue projections were based on past occupancy, this year's upswing in room nights sold will increase the marketing dollars available.

In June, the eight member voting Board of San José Hotels and the City Council will vote on renewal of the District Tax.

About The San José Convention & Visitors Bureau (SJCVB)

The San José Convention & Visitors Bureau (SJCVB) mission is to enhance the image and economic well-being of San José by marketing San José as a globally recognized destination. The SJCVB offers meeting planners, tour operators, and individual visitors a wide range of services to ensure a successful event and fun visit to San José. To receive a copy of the Bureau's Meeting Planning Guide or Official Visitors Guide, please contact the SJCVB at 1.800.SAN.JOSE (1.800.726.5673) or visit <http://www.sanjose.org>.